

Truck and Bus Regulation Economic Hardship Extension

Last Updated: February 2, 2015



**** The deadline for submitting the Economic Hardship application has passed**

This summary describes the Economic Hardship Extension for heavier trucks and buses with a gross vehicle weight rating greater than 26,000 pounds. This compliance option was one of the amendments to the Truck and Bus regulation (regulation) that was approved at the April 25, 2014 Board meeting.

What is the Economic Hardship Extension?

The Economic Hardship Extension defers compliance with the particulate matter (PM) filter requirements for up to three heavier vehicles in the fleet until January 1, 2017. The option can only be used by owners that were financially unable to comply with the January 1, 2014 PM filter requirements and still do not have the financial means to comply. Owners that have increased the number of heavier trucks in the California fleet since January 1, 2012, are not eligible.

What vehicles are eligible to use the Economic Hardship Extension?

The Economic Hardship Extension can only be used for vehicles that did not use compliance extensions and meet all of the following:

- Were in the California fleet on or before January 1, 2012
- Have 1996 model year or newer engines or are in a fleet that reported their Good Faith Efforts¹ to comply with the Small Fleet Option or the PM Filter Phase-in Option
- Operated in California in the first six months of 2014

Can I use the Economic Hardship Extension if I used another extension for my truck?

No, the Economic Hardship Extension cannot be claimed for vehicles that did not need a PM filter to meet the January 1, 2014 requirements. If you were able to delay compliance by claiming one of the following options for your vehicle in any year, you can remain in compliance by meeting the applicable requirements:

- Agricultural Vehicle Extension
- Low-Use Exemption
- Low Mileage Work Truck (Construction) Option
- Log Truck Phase-in
- NOx Exempt Area Extension
- Three Day Pass

I can afford a PM filter, but was denied for a loan for a new truck. Am I eligible for the Economic Hardship Extension?

No, regardless of which compliance option you prefer, you must take any appropriate action to bring the vehicle into compliance. The extension is only valid if you cannot obtain financing and do not have access to sufficient funds (either from personal or business accounts) to comply with each of the three actions. If you have the financial means to comply, but do not complete the appropriate actions you are subject to enforcement action.

Does an approved Economic Hardship Extension count the same as having a PM filter?

No. Any vehicle with an Economic Hardship Extension is excused from meeting the PM filter requirements, but does not affect compliance of other vehicles in the fleet. When determining compliance with fleet based compliance options, the vehicle is still counted as a vehicle that does not have a PM filter. For example, a fleet with 4 PM filters, 3 Low-Mileage Work Trucks, and 3 that are using the Economic Hardship Extension will still have 40 percent PM filters with or without the Economic Hardship Extension.

Can I claim the Economic Hardship Extension if other vehicles in the fleet still would not comply?

No, if the Economic Hardship Extension does not bring the fleet into compliance, it cannot be claimed. You will need to sell, scrap or retire the other non-compliant vehicles before you can begin the process to show you are financially unable to bring other vehicles into compliance.

¹ As described in Regulatory Advisory #MSC 13-28 <http://www.arb.ca.gov/msprog/mailouts/msc1328/msc1328.pdf>

While this document is intended to assist fleets with their compliance efforts, it is the sole responsibility of fleets to ensure compliance with the Truck and Bus Regulation.

What steps must I take to show I cannot afford to comply?

The following is a summary of the steps the owner must take between July 1, 2014 and December 31, 2014 to show they are still financially unable to complete any actions to comply:

1. Report information about all heavier vehicles in the fleet that operated in California since January 1, 2012 in The Truck Regulation Upload, Compliance, and Reporting System (TRUCRS) at: https://ssl.arb.ca.gov/ssltrucrsto/trucrs_reporting/reporting.php.
2. Obtain price quotes for each of the following actions that could bring one vehicle into compliance:
 - Purchase and installation of a PM filter
 - Purchase of a replacement vehicle
 - Lease of a replacement vehicle for 1 to 3 years
3. Complete the ARB approved Form 162. List the TRUCRS ID for your fleet, information about the three price quotes, your financial information, and signature.
4. Apply for financing where the vehicle (or another asset with an equivalent value) is offered as collateral. Present the completed Form 162, copies of the three price quotes, and financial information to California Capital Access Program (CalCAP) lender. A list of CalCAP lenders is at <http://www.treasurer.ca.gov/cpcfa/calcap/arb/lenders.pdf>.
5. If approved for a loan, then complete the action to comply. If denied a loan for each of the three options, then, the lender will need to complete and sign the bottom portion of the form and provide a loan denial letter.

If the CalCAP lender does not commonly provide financing for all three quotes, you may need to apply to a second state or federal chartered financial institution with a separate Form 162 for the remaining quotes. Additional details and the application form you need to apply is available in the Economic Hardship User Guide at https://ssl.arb.ca.gov/ssltrucrsto/trucrs_reporting/reporting.php. Complete applications with supporting documents must be submitted no later than January 31, 2015.

Do I need an application for every truck that can use the Economic Hardship Extension?

No. If you complete the steps to show that you cannot afford to bring one vehicle into compliance with all three actions, you do not need to repeat the steps for the additional two vehicles that may be eligible.

I reported I was denied a loan December 2013, can I use the Economic Hardship Extension?

All owners need to take the same steps between July 1, 2014 and December 31, 2014 to show they are still financially unable to complete any of three actions that could be used to bring a vehicle into compliance. Therefore, loan denials and quotes obtained prior to July 1, 2014, cannot be used.

What must I do after I have been approved for the Economic Hardship Extension?

Your vehicles will be listed in TRUCRS using the Economic Hardship Extension, and you will be able to print a certificate of reported compliance. You cannot add any vehicles to the fleet while the Economic Hardship Extension is being used by any vehicle in the fleet and may not retire vehicles that have a PM filter before those that are using the Economic Hardship Extension. By January 31 of each year, you will need to update your financial information to retain the extension. Before January 1, 2017, you must retire the vehicles unless they have a 1996 model year or newer engine and are equipped with a PM filter that reduces PM by 85 percent.

Where can I get more information?

Fact sheets, compliance tools and regulatory documents about the Truck and Bus Regulation are available at www.arb.ca.gov/dieseltruck. If you have questions or wish to obtain this document in an alternative format or language, please call ARB's diesel hotline at (866) 6DIESEL (634-3735). TTY/TDD/ Speech to Speech users may dial 711 for the California Relay Service.

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